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*Jenny R. Pittman*  
*Counsel for ORS*

January 12, 2018

**VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29210

Re: Petition of South Carolina Electric & Gas Company for Prudency Determination Regarding Abandonment, Amendments to the Construction Schedule, Capital Cost Schedule and Other Terms of the BLRA Orders for the V.C. Summer Units 2 and 3 and Related Matters, along with a Motion for Expedited Hearing  
**Docket No. 2017-244-E**

Dear Ms. Boyd:

This letter is intended to provide the Public Service Commission of South Carolina ("Commission") with the Office of Regulatory Staff's ("ORS") New Nuclear Development ("NND") update regarding V.C. Summer Units 2 and 3.

During the week of January 1, 2018, ORS NND Personnel ("NND Personnel") worked at the South Carolina Electric & Gas Company (SCE&G) V.C. Summer new nuclear site on Tuesday (January 2, 2018) and Wednesday (January 3, 2018). The Plan of the Week meetings have been cancelled going forward. Plan of the Day (POD)/ Staff meetings will continue daily at 8:00 a.m.

On Tuesday January 2, 2018, the site was closed; however, NND Personnel were able to meet with the SCE&G Abandonment Manager. The SCE&G Abandonment Manager informed NND Personnel of a Letter of Intent (LOI) for Southern Nuclear to purchase a small quantity of V.C. Summer plant items. These items range from a variety of commodities (e.g., rebar) to large components such as two Reactor Coolant Pumps and Main Steam Isolation Valves. The LOI states that the purchase must be approved by SCE&G, Santee Cooper, Westinghouse Electric Company (WEC), Southern Nuclear as well as the Commission (for items greater than \$1 million in value).

On Wednesday January 3, 2018, NND Personnel attended the POD meeting which focused on safety, SCE&G security and demobilization/abandonment of the site. The following activities were discussed:

- SCANA merger with Dominion
- Crane demobilization
- Concrete Batch Plant constituent removal
- Rental equipment recovery
- Close out of permits

At the POD meeting, SCE&G stated it will only be supporting regulatory requirements for abandonment including safety, environmental, close-out of permits, and recovery of rental equipment. SCE&G will not recover assets such as tools or structures. SCE&G will divest itself from commercial issues and disengage from the dispute with WEC over ownership of tools and all equipment.

During the visit, NND Personnel noted that no preventative maintenance staff were on site and understands that SCE&G has stopped all preventative maintenance on plant equipment and facilities. Escorted by SCE&G procurement staff and a WEC subcontractor, NND Personnel performed a walk-down of the site buildings/trailers to ensure plant records were being retained at the site.

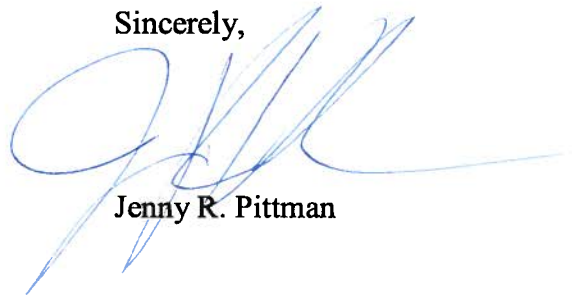
NND Personnel inspected fifteen site buildings/trailers to find approximately 1750 boxes, 75 fireproof filing cabinets and 3 large fireproof safes filled with documentation. The purpose of the file relocation was to support close-out of site buildings and the removal of temporary trailers from the site. The files were originally scheduled to be shipped to WEC in Cranberry, PA. However, to date, no files have been removed from the site. The current plan is to keep the files onsite in their existing locations. NND Personnel is concerned that many critical files are at risk of damage while in cardboard boxes and should be securely stored in fireproof cabinets to ensure their availability for potential future use.

Attached, for reference, is recent correspondence by SCE&G and responses from Santee Cooper regarding the status of the project. They are:

1. Letter dated December 22, 2017: SCANA to Santee Cooper; V.C. Summer Nuclear Project: Design and Construction Agreement & Project Abandonment;
2. Letter dated December 28, 2017: Santee Cooper's Reply to SCANA's December 22, 2017 letter;

3. Letter dated December 27, 2017: SCE&G Request for Withdrawal of VCSNS Unit 2&3 COLs; and
4. Letter dated January 8, 2018: Santee Cooper Response to SCE&G's Request for Withdrawal of VCSNS Unit 2&3 COLs.

Sincerely,



Jenny R. Pittman

Encl.

cc: Belton T. Zeigler, Esquire (via E-Mail)  
K. Chad Burgess, Esquire (via E-Mail)  
Matthew W. Gissendanner, Esquire (via E-Mail)  
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